

DENISE L. MAJETTE
4TH DISTRICT, GEORGIA

COMMITTEE ON THE BUDGET

COMMITTEE ON
EDUCATION AND THE WORKFORCE

COMMITTEE ON SMALL BUSINESS



Congress of the United States
House of Representatives
Washington, DC 20515-1004
September 25, 2003

1517 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-1605
FAX (202) 226-0691

2050 LAWRENCEVILLE HIGHWAY, SUITE D46
DECATUR, GEORGIA 30033
(404) 633-0927
FAX (404) 633-0968

RECEIVED
03 OCT -6 PM 3:43
FEDERAL MARITIME COMMISSION

Secretary Bryant L. VanBrakle
Federal Maritime Commission
800 North Capitol Street, NW
Room 1046
Washington, DC 20573

RE: Petition P3-03

Dear Secretary VanBrakle:

It has come to my attention that United Parcel Service (UPS) has filed for an exemption **from** the prohibition on Non-Vessel Operating Common Carriers (NVOCCs) **from** entering into confidential contracts with their customers. I am writing to urge you to consider this petition.

As you know, during consideration of the *Ocean Shipping Reform* Act (OSRA) revisions of 1998, Congress considered all aspects of the ocean shipping industry including the role of NVOCCs. At the time Congress determined that NVOCCs should be regulated differently than vessel operators. In the late 1990s, most NVOCCs were small enterprises that neither owned ocean vessels nor the cargo being shipped. In order to protect shippers and to guarantee liability coverage, Congress determined that NVOCCs should operate under a published tariff system when dealing with their customers.

The state of the U.S. ocean shipping industry has changed dramatically since passage of OSRA. There has been substantial consolidation among ocean carriers resulting in the loss of major U.S. flagged carriers. In an effort to offer customers a full range of services, these very same carriers have created vertically integrated logistics companies that now compete with NVOCCs. I am informed that UPS operates the most sophisticated, integrated, intermodal transportation network in the world, which includes air, rail and surface and NVOCC transportation, and is deemed a "carrier" in the surface and air freight industries. These facts alone should set UPS apart from the companies that first raised concerns about the regulatory status of NVOCCs. The UPS petition, citing the recent evolution of the ocean shipping marketplace, is precisely the reason Congress granted such broad exemption authority to the FMC.

Consistent with your established policies and procedures, I am hopeful the FMC will give the UPS petition careful consideration and render an equitable decision based upon the merits of the UPS case. Thank you for your kind consideration in this matter.

Sincerely,

Denise L. Majette
Denise L. Majette
Member of Congress